CONTENTS

PREFACE			χi		
CON	TRIBUT	ORS	xiii		
1	A FRAM	EWORK FOR INTERDISCIPLINARY RESEARCH AND EDUCATION	1		
Jame	es Momol	h			
1.1	Introdu	iction 1			
1.2	Power System Challenges 3				
	1.2.1	The Power System Modeling and Computational Challenge 4			
	1.2.2	Modeling and Computational Techniques 5			
	1.2.3	New Curriculum that Incorporates the Disciplines of Systems Theory, Economic and Environmental Science for the Electric Power Network	5		
1.3	Solutio	on of the EPNES Architecture 5			
	1.3.1	Modular Description of the EPNES Architecture 5			
	1.3.2	Some Expectations of Studies Using EPNES Benchmark Test Beds 7			
1.4	Implementation Strategies for EPNES 8				
	1.4.1	Performance Measures 8			
	1.4.2	Definition of Objectives 8			
	1.4.3	Selected Objective Functions and Pictorial Illustrations 9			
1.5	Test Beds for EPNES 13				
	1.5.1	Power System Model for the Navy 13			
	1.5.2	Civil Testbed-179-Bus WSCC Benchmark Power System 15			
1.6	Examp	oles of Funded Research Work in Response to the EPNES Solicitation 16			
	1.6.1	Funded Research by Topical Areas/Groups under the EPNES Award 16			
	1.6.2	EPNES Award Distribution 17			
1.7	Future	Directions of EPNES 18			
1.8	Conclu	isions 18			
Ack	nowledgr	nents 19			
Bibl	iography	19			
2	MODEL	ING ELECTRICITY MARKETS: A BRIEF INTRODUCTION	21		

Alfredo Garcia, Lamine Mili, and James Momoh

The Basic Structure of a Market for Electricity 22

Introduction 21

2.1

2.2

vi CONTENTS

	2.2.1 Consumer Surplus 23		
	2.2.2 Congestion Rents 24		
	2.2.3 Market Power 24		
	2.2.4 Architecture of Electricity Markets 25		
2.3	Modeling Strategic Behavior 26		
	2.3.1 Brief Literature Review 26		
	2.3.2 Price-Based Models 27		
	2.3.3 Quality-Based Models 30		
2.4			
	2.4.1 Introduction 32		
	2.4.2 Congestion Charges and Financial Transmission Rights 33		
	2.4.3 Example of a 3-Bus System 34		
2.5	LMP Calculation Using Adaptive Dynamic Programming 39		
	2.5.1 Overview of the Static LMP Problem 39		
	2.5.2 LMP in Stochastic and Dynamic Market with II.		
2.6	Conclusions 42		
Bib	oliography 42		
3	ALTERNATIVE ECONOMIC CRITERIA AND PROGRESS TO THE		
•	ALTERNATIVE ECONOMIC CRITERIA AND PROACTIVE PLANNING		
-	FOR TRANSMISSION INVESTMENT IN DEREGULATED POWER SYSTEMS		
Enz	o E. Sauma and Shmuel S. Oren		
3.1	Introduction 46		
3.2	Conflict Optimization Objectives for Network Expansions 49		
	3.2.1 A Radial-Network Example 49		
	3.2.2 Sensitivity Analysis in the Radial-Network Example 56		
3.3	Policy Implications 57		
3.4	Proactive Transmission Planning 57		
	3.4.1 Model Assumptions 58		
	3.4.2 Model Notation 60		
	3.4.3 Model Formulation 61		
	3.4.4 Transmission Investment Models Comparison 62		
3.5	Illustrative Example 64		
3.6	Conclusions and Future Work 67		
Bibl	iography 68		
App	endix 68		
4	PAYMENT COST MINIMIZATION HUTH DELCAND DED COME		
•	PAYMENT COST MINIMIZATION WITH DEMAND BIDS AND PARTIAL		
	CAPACITY COST COMPENSATIONS FOR DAY-AHEAD ELECTRICITY AUCTIONS		
	AUCHONS	7 1	
etei	r B. Luh, Ying Chen, Joseph H. Yan, Gary A. Stern, William E. Blankson,		
ind I	Feng Zhao		
.1	Introduction 72		
.2	Literature Review 73		
	Problem Formulation 73		
.4	Solution Methodology 75		
	4.4.1 Augmented Lagrangian 76		
	442 Formulating and Salving Hair C. L. 11		
	4 4 3 Formulating and Calain Bill Gate at		
	7.7.3 Formulating and Solving Bid Subproblems 79		

	4.4.4 Solve the Dual Problem 80	
	4.4.5 Generating Feasible Solutions 80	
	4.4.6 Initialization and Stopping Criteria 81	
.5		
.6		
\ck	cnowledgment 84	
	liography 84	
	DUMANIC OLICODOLICTIC COMPETEION IN AN ELECTRIC DOUGED	
5	DYNAMIC OLIGOPOLISTIC COMPETITION IN AN ELECTRIC POWER	
	NETWORK AND IMPACTS OF INFRASTRUCTURE DISRUPTIONS	<u>87</u>
Ree	tabrata Mookherjee, Benjamin F. Hobbs, Terry L. Friesz, and Matthew A. Rigdon	
.1	_	
.2	Summary and Modeling Approach 89	
.3		
	5.3.1 Notation 90	
	5.3.2 Generating Firm's Extremal Problem 92	
	5.3.3 ISO's Problem 94	
.4		
	5.4.1 Complementary Conditions for Generating Firms 95	
	5.4.2 Complementary Conditions for the ISO 97	
	5.4.3 The Complete NCP Formulation 98	
.5	•	
.6		
ck	knowledgment 108	
	pendix: Glossary of Relevant Terms form Electricity Economics 108	
	liography 110	
,	PLANT RELIABILITY IN MONOPOLIES AND DUOPOLIES: A COMPARISON	
6	OF MARKET OUTCOMES WITH SOCIALLY OPTIMAL LEVELS	113
	OF MARKET OUTCOMES WITH SOCIALLY OF THIRD LEVELS	
iec	orge Deltas and Christoforos Hadjicostis	
.1	Introduction 114	
.2	Modeling Framework 116	
.3	Profit Maximizing Outcome of a Monopolistic Generator 118	
.4	Nash Equilibrium in a Duopolistic Market Structure 120	
.5	Social Optimum 122	
.6	Comparison of Equilibria and Discussion 123	
.7	Asymmetric Maintenance Policies 125	
8.	Conclusion 127	
Ack	knowledgment 128	
3ib	liography 128	
_	BUILDING AN EFFICIENT RELIABLE AND SUSTAINABLE POWER	
7		131
	SYSTEM: AN INTERDISCIPLINARY APPROACH	131
am	nes Momoh, Philip Fanara, Jr., Haydar Kurban, and L. Jide Iwarere	
.1	Introduction 131	
	7.1.1 Shortcoming in Current Power Systems 132	
	7.1.2 Our Proposed Solutions to the Above Shortcomings 132	
	···	

7.2	Overvi	ew of Concepts 133		
	7.2.1	Reliability 133		
	7.2.2	Bulk Power System Reliability Requirements 134		
	7.2.3	Public Perception 135		
	7.2.4	Power System / New Technology 135		
7.3	* '			
	7.3.1	Contingency Issues 140	•	
	7.3.2	Foundation of Public Perception 141		
	7.3.3	Available Transmission Capability (ATC) 142		
	7.3.4	Reliability Measures/Indices 143		
	7.3.5	Expected Socially Unserved Energy (ESUE) and Load Loss 145		
	7.3.6	System Performance Index 147		
	7.3.7	Computation of Weighted Probability Index (WPI) 148		
7.4	Design	Methodologies 149		
7.5		nentation Approach 150		
	7.5.1	Load Flow Analysis with FACTS Devices (TCSC) for		
		WSCC System 150		
	7.5.2	Performance Evaluation Studies on IEEE 30-Bus and WSCC Systems	s 151	
7.6		nentation Results 151		
	7.6.1	Load Flow Analysis with FACTS Devices (TCSC)		
		for WSCC System 151		
	7.6.2	Performance Evaluation Studies on IEEE 30-Bus System 153		
	7.6.3	Performance Evaluation Studies on the WSCC System 155		
7.7	Conclu			
Ack	cnowledgm	nents 158		
Bib	liography	158		
8	DICK DA	CED DOWED CVCTEM DIAMING DEPENDENT CONTRA CONTRA		
0		SED POWER SYSTEM PLANNING INTEGRATING SOCIAL AND MIC DIRECT AND INDIRECT COSTS		
	ECONON	THE DIRECT AND INDIRECT COSTS	16	
Lan	nine Mili a	nd Kevin Dooley		
8.1	Introdu	ction 162		
8.2	The Par	rtitioned Multiobjective Risk Method 164		
8.3		and Martichia etima Diale Martin d. A. 1911. D. G	66	
8.4		ing the Social and Economic Impacts in Power System Planning 169		
8.5		Crises and Public Crises 170		
	8.5.1	Describing the Methodology for Economic and Social Cost		
		Assessment 170		
	8.5.2	The CRA Method 172		
	8.5.3	Data Analysis of the California Crises and of the 2003 U.S. Blackout	173	
8.6	Conclus	sions and Future Work 176		
Bibl	liography	177		
_	140 h nr o	TOD TD 4 1701 ##00# 0		
9		FOR TRANSMISSION EXPANSION PLANNING BASED ON		
	KECUNF	IGURABLE CAPACITOR SWITCHING	181	

James McCalley, Ratnesh Kumar, Venkataramana Ajjarapu, Oscar Volij, Haifeng Liu, Licheng Jin, and Wenzhuo Shang

9.1 Introduction 181

277

9.2	Plannin	g Processes 184		
	9.2.1	Engineering Analyses and Cost Responsibilities 185		
	9.2.2	Cost Recovery for Transmission Owners 187		
	9.2.3	Economically Motivated Expansion 188		
	9.2.4	Further Reading 189		
9.3	Transm	ission Limits 189		
9.4	Decision Support Models 191			
	9.4.1	Optimization Formulation 192		
	9.4.2	Planning Transmission Circuits 195		
	9.4.3	Planning Transmission Control 199		
	9.4.4	Dynamic Analysis 213		
9.5	Market	Efficiency and Transmission Investment 219		
9.6	Summa	ry 232		
Ackn	owledgm	ents 232		
Bibli	ography	232		
10	NEXT GE	ENERATION OPTIMIZATION FOR ELECTRIC POWER SYSTEMS 23		
Jame	s Momoh			
10.1	Introduc	ction 237		
10.2	Structure of the Next Generation Optimization 239			
	10.2.1	Overview of Modules 239		
	10.2.2	Organization 241		
10.3				
	10.3.1	Overview 242		
	10.3.2	Decision Analysis Tools 243		
	10.3.3	Selected Methods in Classical Optimization 248		
	10.3.4	Optimal Control 250		
	10.3.5	Dynamic Programming (DP) 252		
	10.3.6	Adaptive Dynamic Programming (ADP) 253		
	10.3.7	Variants of Adaptive Dynamic Programming 255		
	10.3.8	Comparison of ADP Variants 258		
10.4	Application of Next Generation Optimization to Power Systems 260			
	10.4.1	Overview 260		
	10.4.2	Framework for Implementation of DSOPF 261		
		Applications of DSOPF to Power Systems Problems 262		
10.5	Grant Challenges in Next Generation Optimization and Research Needs 272			
		ling Remarks and Benchmark Problems 273		
		ents 273		
	ography			

INDEX